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FISCAL IMPACT REPORT

SPONSOR: Lujan DATE TYPED: 02/04/02 HB 377
 SHORT TITLE: Wind Generation Equipment Exclusion SB _____
 ANALYST: Wilson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	(\$0.1)	Indeterminate	Recurring	General Fund

SOURCES OF INFORMATION

LFC files
 Energy, Minerals & Natural Resources (EMNRD)
 Taxation and Revenue (TRD)

SUMMARY

Synopsis of Bill

HB 377 deletes “a wind generation nacelle, rotor or related equipment installed on a supporting structure” from the definition of “construction materials”. HB 377 will have the effect of deleting wind powered electric generators from the Gross Receipts Tax.

Significant Issues

By exempting wind generators from Gross Receipts Tax, the bill encourages the wind industry by lowering the production cost of wind-generated electricity in order to make it more competitive.

EMNRD claims that New Mexico has excellent wind resources that are suitable for large-scale commercial development.

FISCAL IMPLICATIONS

There will be an unknown loss of revenue since wind generation powered electric generators are currently taxed.

ENMRD indicates there is currently only one commercial wind turbine operating in New Mexico at the present time. They are hoping to attract more commercial wind development.

DW/ar:njw